

May 30 / Administration of George Bush, 1991

would offer a helping hand to victims of racism, sexism, and other forms of discrimination. It would build on the strong and just laws that we already have. And I'd like to sign it, along with our crime bill, and I'd like to sign it soon.

I'm very proud to be with you law enforcement officials. And I want you to know that you have the public's support—never doubt that—you have the public's support and gratitude. You have all of our support. And very candidly, you've earned it. You deserve our admiration, our respect, and the best, toughest anticrime package your grateful nation can give you. No more loopholes, no more rolls of the dice. It's time. It's long past time.

So, once again, I was just delighted when the Attorney General and the Director asked me to come down here to see you in action, to salute this graduating class. Congratulations to the graduates, to their families on this very special day. And the

best of luck to all of you. And may God be with you.

Thanks to all the FBI and DEA Agents here, to the State, and to the local and international police officers and the FBI National Academy and, again, to your landlords, the United States Marines. May God bless you all. And may God bless the United States of America.

Thank you very, very much.

*Note: The President spoke at 2:10 p.m. in the auditorium of the administration building. In his remarks, he referred to Attorney General Dick Thornburgh; William S. Sessions and Anthony E. Daniels, Director and Assistant Director (Training Division) of the Federal Bureau of Investigation; Bob Martinez, Director of National Drug Control Policy and former Governor of Florida; and Gen. Alfred M. Gray, Jr., commandant of the Marine Corps.*

## Letter to Congressional Leaders Reporting on the National Emergency With Respect to Iran

May 30, 1991

*Dear Mr. Speaker: (Dear Mr. President:)*

I hereby report to the Congress on developments since my last report of November 29, 1990, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979, and matters relating to Executive Order No. 12613 of October 29, 1987. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa-9(c). This report covers events through March 31, 1991, including those that occurred since my last report dated November 29, 1990. That report covered events through September 30, 1990.

1. Since my last report, both the Iranian Transactions Regulations ("ITRs"), 31 CFR Part 560, and the Iranian Assets Control Regulations ("IACRs"), 31 CFR Part 535,

have been amended. Copies of these amendments are attached. The ITRs were amended on March 15, 1991, 56 FR 11100, to permit the issuance of specific licenses authorizing the case-by-case importation of Iranian oil in situations where the import transaction is in resolution of an outstanding claim against Iran before the Iran-United States Claims Tribunal in The Hague or otherwise results in the payment of the full proceeds from the sale of the Iranian oil into the Tribunal's Security Account. Permitting the importation of Iranian oil under these conditions is intended to promote the settlement of certain claims pending before the Tribunal and to replenish the Security Account from which monetary claims are paid to the U.S. claimant.

The IACRs were amended on February 15, 1991, 56 FR 6546, to comply with an arbitral award issued by the Tribunal which found that the United States Government

had violated the Algiers Accords by licensing various U.S. account parties to open blocked reserve accounts on their books to cover amounts demanded by an Iranian beneficiary under a standby letter of credit ("SLC"). Under section 535.568, these accounts were permitted to be held by account parties in lieu of payment of the SLC amounts by the issuing or confirming U.S. bank into a blocked account and the reimbursement of the bank by the account party. Under this amendment, the transfer of funds contained in blocked reserve accounts by SLC account parties is no longer restricted unless the account parties can demonstrate that they qualify for one of three limited exceptions.

2. The great majority of import licensing activity under the ITRs involved the importation of nonfungible Iranian-origin goods, principally carpets, that were located outside Iran prior to the imposition of the embargo and that did not result in any payment or benefit accruing to Iran after the effective date of the embargo.

During the reporting period, the U.S. Customs Service has continued to effect numerous seizures of Iranian-origin merchandise, primarily carpets, for violation of the import prohibitions of the ITRs. The Office of Foreign Assets Control and U.S. Customs Service investigations of these violations have resulted in forfeiture actions and the imposition of civil monetary penalties amounting to \$821,477. Numerous additional forfeiture and civil penalty actions are under review.

On November 16, 1990, a guilty plea was entered in *United States v. Iron Gate Products*, which involved the smuggling of Iranian-origin caviar into the United States. In addition to having merchandise valued at \$850,000 forfeited to the United States Government, the defendant also agreed to pay more than \$30,000 in cold storage costs incurred by the U.S. Customs Service during the course of the investigation.

3. The Tribunal continues to make progress in arbitrating the various claims before it. Since my last report, the Tribunal has rendered 18 awards, for a total of 507 awards. Of that total, 349 have been awards in favor of American claimants: of these, 214 were awards on agreed terms, author-

izing and approving payment of settlements negotiated by the parties, and 135 were decisions adjudicated on the merits. The Tribunal has issued 34 decisions dismissing claims on the merits and 76 decisions dismissing claims for jurisdictional reasons. Of the 48 remaining awards, two were withdrawn, and 46 were in favor of Iranian claimants. As of March 31, 1991, awards to successful American claimants from the Security Account held by the NV Settlement Bank stood at \$2,023,506,655.53.

As of March 31, 1991, the Security Account has fallen below the required balance of \$500 million 34 times. Iran has periodically replenished the account, as required by the Algiers Accords, by transferring funds from the separate account held by the NV Settlement Bank in which interest on the Security Account is deposited. Iran has also replenished the account twice when it was not required to do so by the Accords. Iran has not, however, replenished the Security Account to the required balance of \$500 million since the last report. Discussions are underway with Iran to rectify this deficiency. As of March 31, 1991, the total amount of the Security Account was \$252,838,236.81, and the total amount in the interest account was \$14,331,443.56. The aggregate amount that has been transferred from the interest account to the Security Account is \$832,872,986.47.

4. The Tribunal continues to make progress in the arbitration of claims of U.S. nationals for \$250,000 or more. Over 80 percent of the nonbank claims have now been disposed of through adjudication, settlement, or voluntary withdrawal, leaving 118 such claims on the docket. The largest of the large claims, the progress of which has been slowed by their complexity, are finally being resolved, sometimes with sizeable damage awards to the U.S. claimant. ARCO, for example, settled its case against the Iranian National Oil Company for a payment of \$9 million. Since the last report, 15 large claims have been decided.

5. As anticipated by the May 13, 1990, agreement settling the claims of U.S. nationals against Iran for less than \$250,000, the Foreign Claims Settlement Commission (FCSC) has undertaken to review 3,112

May 30 / Administration of George Bush, 1991

claims. The FCSC issued its first awards in April 1991 and is expected to complete its adjudication of these claims by September 1993.

6. In coordination with concerned Government agencies, the Department of State continues to present United States Government claims against Iran, as well as responses by the United States Government to claims brought against it by Iran. Since the last report, the Department has filed pleadings in five government-to-government claims.

7. Since my last report, one additional bank syndicate has completed negotiations with bank Markazi Jomhouri Islami Iran ("Bank Markazi," Iran's central bank). After this settlement is finalized, only two syndicates will remain with claims against Dollar Account No. 1 at the Federal Reserve Bank of New York.

8. The situation reviewed above continues to implicate important diplomatic, financial, and legal interests of the United States and

its nationals and presents an unusual challenge to the national security and foreign policy of the United States. The IACRs issued pursuant to Executive Order No. 12170 continue to play an important role in structuring our relationship with Iran and in enabling the United States to implement properly the Algiers Accords. Similarly, the ITRs issued pursuant to Executive Order No. 12613 continue to advance important objectives in combatting international terrorism. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

Sincerely,

GEORGE BUSH

*Note: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Dan Quayle, President of the Senate.*

## Nomination of Luis Guinot, Jr., To Be United States Ambassador to Costa Rica

May 30, 1991

The President today announced his intention to nominate Luis Guinot, Jr., of Puerto Rico, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Costa Rica. He would succeed Deane Roesch Hinton.

Since 1988 Mr. Guinot has served as a partner and attorney with the law firm of Kelley, Drye & Warren in Washington, DC. Prior to this Mr. Guinot served as a partner and attorney with the law firm of Rose, Schmidt, Chapman, Duff and Hasley, 1985–1987, and Chapman, Duff and Paul, 1974–1985. From 1972 to 1974, Mr. Guinot served as Assistant General Counsel for the Department of Agriculture. In addition, Mr.

Guinot was a self-employed attorney at law and consultant, 1972, and served as Administrator for the Office of the Commonwealth of Puerto Rico in Washington, DC, 1969–1972. He also served as an associate attorney with the law firm of Faerber and Cerny, 1968–1969.

Mr. Guinot graduated from New York University (B.A., 1957) and the Columbus School of Law at Catholic University (J.D., 1968). He was born April 8, 1935, in San Juan, PR. Mr. Guinot served in the U.S. Army, 1959–1967. Mr. Guinot is married, has five children, and resides in Clifton, VA.